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by deleting Sections 1, 2, and 3 in their entirety and by substituting instead the following:

SECTION 1. This act shall be known and may be cited as the Bank Reform Act of 1996.

SECTION 2. Tennessee Code Annotated, Section 35-50-107(a)(2), is amended by adding as a new item (H) the following:

(H) A trust company that is organized under the laws of another state as a bank, trust company or savings bank that (i) has an office in this state that is not its principal office, meets the definition of a trust institution under 12 U.S.C., Section 1841(c)(2)(D), and is a direct or indirect subsidiary of a bank holding company that has a direct or indirect bank, trust company, or savings bank subsidiary that has an office in this state in which deposits are accepted; or (ii) has an office in this state that is not its principal office and accepts deposits at its office in this state.

SECTION 3. Tennessee Code Annotated, Section 45-1-103, is amended by adding the following as a new subsection (10) and renumbering existing subsection (10) and succeeding subsections accordingly:

“In operation” or “operating” means that:

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(A) A charter has been issued to a bank by the United States
comptroller of the currency or a certificate of authority has been issued by
the commissioner; or

(B) A bank has all appropriate approvals to accept insured
deposits from the public.

SECTION 4. Tennessee Code Annotated, Title 45, is amended by adding as a
new Section 45-1-129 the following:

All applications required to be submitted to the commissioner under
the provisions of chapters 2, 3, and 14 of this title or any regulations
promulgated under these chapters, may be submitted by electronic
communications, including but not limited to facsimile transmissions and
electronic mail. Applications submitted in this manner shall be deemed
complete for purposes of processing as of the date the electronic
submission is received by the commissioner as long as any filing fees or
original documents required to be submitted with the application are
received by the commissioner within three (3) business days of the
electronic communication. If the application is incomplete, the
commissioner may request additional information and the time for
processing shall date from the receipt of such information.

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SECTION 5. Tennessee Code Annotated, Section 45-2-201, is amended by deleting subsection (c) in its entirety and substituting instead the following:

(c) Each incorporator shall subscribe and pay in full in cash for common stock in an amount not less than one percent (1%) of the minimum capital structure of the bank or such amount as shall be determined by the commissioner.

SECTION 6. Tennessee Code Annotated, Section 45-2-202(a), is amended by deleting item (3) and by substituting instead the following:

(3) The total capital, the number of shares of each class, the par value of the shares of each class of the proposed state bank and a copy of the shareholder offering circular and subscription agreement;

SECTION 7. Tennessee Code Annotated, Section 45-2-202, is amended by deleting subsections (b) and (c) in their entirety and substituting instead the following:

(b) If the notice of intention or any accompanying documents do not comply with the requirements of this section, the commissioner shall within ten (10) business days after the receipt thereof either (i) notify the incorporators that the notice of intention and accompanying documents are approved as to form pending the receipt of any additional information requested of the applicant in the notice or (ii) notify the incorporators that

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the notice of intention and accompanying documents have not been accepted, calling attention to the defect or defects in such documents. The incorporators may resubmit the notice of intention or accompanying documents, revised as necessary, to address the defect or defects noted by the commissioner within ten (10) business days after their receipt of the notice of defect(s) from the commissioner. The commissioner shall have five (5) business days after receipt of the revised notice of intention and accompanying documents to review such and either (i) notify the incorporators that such are approved as to form or (ii) notify the incorporators that the notice of intention and accompanying documents have not been accepted, calling attention to the defect or defects still in such documents. If the revised notice of intention and accompanying documents are not accepted, any subsequent filings by such incorporators for the proposed bank shall be as if it were an initial filing.

If the commissioner does not refuse to accept the notice of intention or revised notice of intention within the time provided they shall be deemed to be approved as to form.

(c) It is a Class C misdemeanor, under this chapter and chapter 1 of this title, to accept any stock subscription for shares of capital stock of

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the proposed bank from any persons other than the incorporators until the incorporators have received the notification from the commissioner that the notice of intention and accompanying documents are approved as to form, or in violation of any order of the commissioner. Any subscription for capital stock of the proposed bank accepted in violation of this subsection shall be enforceable by the commissioner and only to the extent the commissioner determines it to be necessary to protect depositors.

SECTION 8. Tennessee Code Annotated, Section 45-2-204, is amended by deleting the section in its entirety and substituting instead the following:

(a) After the incorporators have received notification from the commissioner that notice of intention and accompanying documents are approved as to form, the incorporators may apply to the commissioner for a charter. The incorporators shall submit:

(1) A proposed charter in such form as the commissioner shall prescribe containing the following information:

(A) The name of the state bank;

(B) If the state bank is to exercise trust powers, a statement to that effect;

(C) The community in which it is to be located;

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(D) The amount of capital, the number of shares of each class, the relative preferences, powers and rights of each class, the par value of the shares of each class, if any, and the amount of the paid-in surplus; and

(E) Such other proper provisions to govern the business and affairs of the state bank as may be desired by the incorporators, including, but not limited to, the initial directors of the proposed state bank;

(2) The application fee required by the commissioner;

(3) Proposed bylaws in such form as the commissioner shall prescribe; and

(4) An application in such form and containing such information as the commissioner requires, including the following:

(A) The name, residence and occupation of each subscriber from whom subscriptions have been accepted as of the date the application is filed, and the number of shares for which each such subscriber has subscribed, which list shall be updated not less than every thirty (30) business days to add all additional subscribers and any amendments to any such information previously filed;

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(B) The past and present connection with any bank, other than as a customer on terms generally available to the public, of each director and each subscriber to more than five percent (5%) of the capital stock updated as necessary to identify subscribers not previously identified in the application; and

(C) The address at which it is proposed that the state bank do business, or, if such address is not known, the area within the community in which it is proposed that the business be located.

(b) If the application, the proposed charter or any other accompanying documents do not comply with the requirements of chapters 1 and 2 of this title, the commissioner shall, within twenty (20) business days after the receipt thereof, either i) return them to the incorporators, calling attention to the defect or defects therein, or ii) notify the incorporators of his rejection of the application, calling attention to the defect or defects therein. If such application, proposed charter and accompanying documents, if any, are not so returned or rejected by the commissioner within twenty (20) business days of the receipt thereof, they shall be deemed to have been filed with the commissioner.

(c) After the application is accepted for filing or deemed to have been filed with the commissioner, upon written request by the incorporators accompanied

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by the appropriate filing fees, the commissioner shall grant a charter by endorsing such approval on all copies thereof and filing one (1) copy with the secretary of state, retaining one (1) copy for the department's files and returning one (1) copy to the incorporators within ten (10) days thereafter so that the incorporators may take such further steps necessary to duly incorporate the proposed new state bank as a corporate entity. Provided, however, the commissioner shall retain the right to require any amendment to the charter or disallow any proposed officer or director of the proposed new bank prior to granting a certificate of authority. Nothing herein shall prevent the commissioner from otherwise rejecting the application or refusing to grant a certificate of authority. Should the application be rejected or should a certificate of authority not be granted, the commissioner shall give appropriate notice to the secretary of state. The incorporators shall return the original charter to the commissioner and the incorporators shall take such steps as are necessary to dissolve the proposed state bank as a corporate entity as provided in the Tennessee Business Corporation Act; provided, however, that all subscription proceeds shall be returned to all subscribers in accordance with the subscription agreement.

(d) The incorporators shall mail such notice of the application as the commissioner may prescribe to each bank in the county in which the proposed

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bank is to be located, and also to such persons and organizations as the commissioner may designate. The commissioner may also require publication of the notice.

(e) Notwithstanding the provisions in chapters 1 and 2 of this title to the contrary, the commissioner may prescribe by rule or regulation the application procedure for the formation of an interim bank to facilitate an interim bank merger as defined in § 45-2-1402.

SECTION 9. Tennessee Code Annotated, Section 45-2-205, is amended:

1) by deleting from subsection (b) the words “within six (6) months after the filing of the application” and by substituting instead the words, “within the longer of six (6) months after the filing of the application or three (3) months after filing of a listing of subscribers showing that at least seventy-five percent (75%) of the stock has been subscribed,” ;

and, 2) by deleting from subsection (c) the words, “If the commissioner approves the application,” and by substituting instead the following:

If the charter has not been previously granted in accordance with
Section 45-2-204(c), upon approval of the application.

SECTION 10. Tennessee Code Annotated, Section 45-2-206, is amended by deleting the section in its entirety and by substituting instead the following:

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After both the commissioner has approved the application for a charter and after the charter of the proposed state bank has been granted, the incorporators or, if such have been initially appointed, the directors of the proposed state bank, may call for the payment of the subscriptions in full within thirty (30) days from the date of the notice to subscribers, and the incorporators or directors, as appropriate, may withdraw all subscription proceeds held in escrow, and all earnings thereon, on behalf of the proposed state bank.

SECTION 11. Tennessee Code Annotated, Section 45-2-212, is amended by deleting the following:

Application for a certificate of authority shall be made to the commissioner and shall contain.

And by substituting instead the following:

After subscription proceeds have been accepted and collected for at least the minimum capital of the proposed state bank as required by the commissioner, the proposed state bank shall file an application with the commissioner for a certificate of authority, which request shall contain;

And 2) by deleting item (5) in its entirety and by substituting instead the following:

(5) Certified copies of the organizational minutes and duly adopted bylaws of the state bank; and,

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SECTION 12. Tennessee Code Annotated, Section 45-2-213(a), is amended by deleting the word and figure “twenty (20)” and by substituting instead the word and figure “ten (10) business”.

SECTION 13. Tennessee Code Annotated, Section 45-2-214, is amended by deleting the word and figure “ninety (90)” and by substituting instead the word and figure “thirty (30)”.

SECTION 14. Tennessee Code Annotated, Section 45-2-215(a), is amended by deleting the following phrase when it appears “within twenty (20) days of such action” and by substituting instead the word “promptly”.

SECTION 15. Tennessee Code Annotated, Section 45-2-401(a), is amended by deleting the following:

At least three-fourths (3/4) of the directors shall be citizens of the United States, two-thirds (2/3) shall be residents of this state or shall reside within twenty-five (25) miles of the main office of the bank and a majority shall reside within one hundred (100) miles of the main office of the bank.

And by substituting instead the following:

Each Bank director must, during his whole term of service, be a citizen of the United States. A majority of the directors must

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reside in a state in which the bank has a branch location or within one hundred (100) miles of the location of any branch, both for at least one (1) year immediately preceding their election and during their term of service as a director.

SECTION 16. Tennessee Code Annotated, Section 45-2-401(f), is amended by deleting the word and figure “one (1)” and by substituting instead the word and figure “three (3)”.

SECTION 17. Tennessee Code Annotated, Section 45-2-602, is amended by designating existing subsection (a) as subsection (a)(1) and by adding as a new subsection (a)(2) the following:

(2) A bank may organize, participate in or own an ownership interest in a limited liability company, or limited liability partnership, under the provisions of this section and this title.

SECTION 18. Tennessee Code Annotated, Section 45-2-604, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) A bank shall establish such hours of operation as it deems necessary or appropriate. Provided, however, a bank may not be closed for more than two (2) consecutive calendar days without the prior approval of the commissioner,

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except a bank, without prior approval, may be closed Saturdays, Sundays, legal holidays, and during emergencies as provided in § 45-2-603.

SECTION 19. Tennessee Code Annotated, Section 45-2-607, is amended by adding as a new subsection (d) the following:

(d) (1) In addition to the foregoing, upon thirty (30) days prior written notice to the commissioner, providing such detail as the commissioner may require, a bank may invest, in the aggregate, up to seventy-five percent (75%) of its unimpaired capital, surplus and undivided profits in the stock or purchase the assets of other corporations, firms, partnerships, or companies including limited liability corporations and limited liability partnerships which are or will be:

(A) Primarily engaging in activities permissible for federally chartered financial institutions, their authorized subsidiaries or bank holding companies under applicable laws, rules, regulations or orders;

(B) Primarily engaging in activities of a financial nature, including, but not limited to, the transmission or processing of information, data or payments relating to such activities, all forms of securities activities not otherwise authorized, together with such other activities as the commissioner shall determine and which may be permissible for other

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bank and non-bank financial institutions chartered by Tennessee or other states by regulation or order;

(C) Engaging in any other activities approved by the commissioner.

(2) Unless denied by the commissioner within thirty (30) days following receipt of the written notice or upon approval prior to the expiration of the thirty (30) days, a bank may complete its investment in the stock or purchase the assets of the other corporation, firm, partnership, or company, or commence a new activity through an existing subsidiary. The commissioner may extend the thirty (30) day period for approval or denial, for an additional thirty (30) day period, by notifying the applicant if the commissioner determines that the proposed investment or activity raises issues which require additional information or additional time for analysis.

(3) The commissioner shall monitor the impact of activities and investments of banks approved under this section on the safety and soundness of such banks. Any stocks owned or hereafter acquired in excess of the limitations herein imposed shall be disposed of at public or private sale within six (6) months after the date of acquiring the stocks, and if not so disposed of, they shall be charged to profit and loss account, and no longer carried on the books as an asset. The limit of time in which said stocks shall be disposed of or

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charged off the books of the bank may be extended by the commissioner if in the commissioner's judgment it is for the best interest of the bank that such extension be granted.

(4) The commissioner may, as a condition of approving an investment under this section, impose limits on the loans that each bank can make to the corporation, firm or partnership.

(5) The commissioner shall maintain a public file, available for inspection at the Department's offices, which shall contain a summary or synopsis of any application submitted under this subsection. Such summary shall include only the name of the institution applying, the proposed activity, and the decision of the commissioner.

(6) Any state or national bank or subsidiary which engages in an activity that subjects it to licensure and/or regulation under other than Title 45, Chapter 2, shall be subject to licensure and/or regulation on a basis that does not discriminate by the appropriate regulatory agency which licenses and/or regulates non-banks which engage in the same activity.

SECTION 20. Tennessee Code Annotated, Section 45-2-614, as it currently exists and as amended by Acts of 1995, Chapter 165, Chapter 4 (effective on June 7,

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1997) are amended by deleting subsection (b) in its entirety and by substituting instead the following:

No branch, branch office or other facility at which deposits may be accepted shall be established until approved by the commissioner. An application from a bank with a regulatory rating of 1 or 2 shall be deemed approved thirty (30) calendar days after its filing, unless the commissioner shall give notice of his objection to the application. The commissioner may request additional information for any application from a bank with a regulatory rating of 1 or 2 whose application is objected to by the commissioner. For an application from any other bank, the application shall be deemed to have been approved by the commissioner unless disapproved within ninety (90) calendar days after the submission of the application. In the event the application to open a branch bank is disapproved and the applicants feel aggrieved, the applicant may petition for a review by certiorari as provided in Title 27, Chapter 9. For purposes of this subsection "regulatory rating" shall mean a confidential regulatory rating established, assigned or accepted, pursuant to agreement with a federal regulatory agency, by the Department to assess the condition of the bank. Such rating shall at all times remain confidential.

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SECTION 21. The Acts of 1995, Chapter 165, Section 4 (amending Tennessee Code Annotated, Section 45-2-614, effective on June 1, 1997), is further amended by adding a new subsection (c) and by redesignating existing subsection (c) and succeeding subsections accordingly:

(c) Any other laws to the contrary notwithstanding, any branch bank presently located in any county may be incorporated as a bank, with all of the rights and powers granted to a bank under this title, and without restriction on the acquisition or ownership of its stock by a bank holding company, as defined in the Federal Bank Holding Company Act of 1956, as amended, which owns controlling interest in the principal bank. The commissioner shall grant a charter and forthwith issue a certificate of authority to such bank if the charter is in the form prescribed by Section 45-2-204, the proposed officers and directors are qualified under Section 45-2-205, the proposed capital structure is adequate under Section 45-2-207, and the conditions of Section 45-2-214 have been satisfied, other requirements of this title relative to the initial organization of a bank not being applicable.

SECTION 22. Tennessee Code Annotated, Section 45-2-1008, is amended by deleting the section in its entirety and substituting instead the following:

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(a) Absent written objection from the commissioner, a bank, trust company or trust department (hereinafter to be known as the "transferor") may transfer one or more fiduciary accounts administered by such bank, trust company or trust department to another bank, trust company or trust department (hereinafter to be known as the "transferee"); provided that the transferor and transferee banks are related institutions, as that term is hereinafter defined in subsection (g), and that the transferee bank has trust powers.

(b) Approval of the commissioner shall be deemed granted in the absence of written objection from the commissioner within ten (10) business days after receipt by the commissioner of written notice from the transferor bank of the proposed transfer.

(c)(1) Within thirty (30) days after the date of the transfer of the fiduciary accounts, the transferor shall send written notice by first class mail to the last known address (as then set forth on the records of transferor, or if not set forth, as may be determined by the transferor in the exercise of reasonable diligence) of the following persons or entities:

(A) For employee benefit plans, to the plan sponsors;

(B) For individual retirement accounts and retirement accounts for the self-employed, to the account owners;

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(C) For agency and escrow accounts, to the principals;

(D) For securities for which a transferor bank serves as trustee, registrar, transfer agent or paying agent, to the issuers;

(E) For revocable trusts under agreement, to the settlors;

(F) For irrevocable trusts under agreement, to any co-fiduciary, to the settlor, to each current income beneficiary who is an adult, and if a current income beneficiary is a minor, to a parent of the minor with whom the minor resides or to the conservator or guardian of the minor. For purposes of this subsection, "current income beneficiary" means a person currently entitled to income from a trust or a person to whom the trustee, in the trustee's discretion, may currently pay principal or income;

(G) For testamentary trusts, to the persons notified under subsection (F) of this section;

(H) For conservatorships, to any co-fiduciary, to the protected person for whom the conservatorship was created, or if the conservatorship was created for a minor, to a parent of the minor with whom resides or to the guardian of the minor;

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(I) For guardianships, to any co-fiduciary, to the minor or legally incapacitated person from whom the guardian was appointed if the ward is at least 14 years of age;

(J) For probate estates, to any co-fiduciary, to the surviving spouse, if any, and to those persons notified pursuant to subsection (G) of this section; and

(K) For corporate trust indentures to the issuer of the securities subject to each indenture; provided, however, that notwithstanding the foregoing, the transferor may, if it deems it appropriate, comply with any notice procedures contained in the trust indenture instrument with respect to succession of trustees.

(2) For purposes of this section, notice shall be deemed effective when mailed by the transferor. Should the transferor learn after the expiration of thirty (30) days from such transfer that through inadvertence, error, neglect or otherwise, notice was not mailed as herein provided, delayed notice may be given in the manner set forth herein. The recipient of such notice shall then have thirty (30) days to object to the transfer as provided in subsection (d).

(d)(1) Any person given notice pursuant to subsection (c) above may file a written objection to the fiduciary transfer with the commissioner, stating grounds for objection,

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within thirty (30) days of receipt of notice of the transfer by the person notified pursuant to subsection (c) above. The transferor shall then have thirty (30) days to either:

(A) Abandon the transfer of fiduciary accounts to which objection was given and hold such transfer for nought; or

(B) Submit a written response to the commissioner addressing the objections to the transfer. The commissioner shall either approve or deny the transfer.

(2) Nothing herein shall preclude the transferor from appointing a related bank, trust company or trust department as its agent for the performance of any and all fiduciary obligations as provided in subsection (h) below.

(e)(1) Within a reasonable time after the date of a transfer of the fiduciary accounts in accordance with the procedures set forth in subsections (c) and (d) above, the transferor shall file an affidavit in the office of the chancery court of the county in which the main office of the transferor is located; and from time to time, the transferor may file a copy of such affidavit in the office of the chancery court in such other counties as the transferor may deem appropriate. Such affidavit shall set forth the names and addresses of the transferor and transferee, such identification of the fiduciary accounts transferred as the transferor may

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deem appropriate, and such other information as the transferor may deem desirable.

(2) In the event that notice of objection to the transfer is received by the transferor after the filing of record of the original affidavit with respect to the transfer, and in the event that pursuant to subsection (d) above, such transfer is abandoned, the transferor shall promptly file notice of such abandonment in the office of the appropriate chancery court.

(F) If a bank, trust company or trust department completes a fiduciary transfer, the bank, trust company or trust department to which such fiduciary accounts have been transferred shall be automatically substituted as the fiduciary of all the accounts so transferred without further action and without any order or decree by any court or public officer; and without such transfer being treated or considered as a resignation by the transferor as a fiduciary; and such transferee bank, trust company or trust department shall have all the rights, duties, responsibilities, obligations and liabilities, financial or otherwise, of such transferor bank with respect to such accounts. A bank, trust company or trust department which completes a fiduciary transfer shall be relieved as fiduciary without an accounting and without any order or decree of any court or public officer, and prospectively shall have no continuing duties, responsibilities,

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obligations or liabilities, financial or otherwise, with respect to the accounts transferred. Such transfer shall not, however, relieve the transferor bank of liability on the transferee for action or inaction prior to the transfer, nor shall it impose liability on the transferee for action or inaction of the transferor prior to the transfer. No such transfer shall constitute a relinquishment of trust powers by the transferor bank.

(g) A transferor bank, trust company or trust department is "related" to a transferee bank, trust company or trust department if:

- (1) Such transferee controls the transferor;
- (2) Such transferor controls the transferee;
- (3) The same entity controls, directly or indirectly, the transferor and the transferee;
- (4) A majority of the directors of the transferor are directors of the transferee; or
- (5) A majority of the directors of the transferee are directors of the transferor.

"Control" and "controls" as used herein shall mean the ownership of a majority of the voting shares of another bank, trust company or of the bank operating such trust department.

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(h) Regardless of objection to any fiduciary transfer as provided in subsection (d) and the outcome thereof, and notwithstanding any procedure under this chapter, any bank may appoint a related bank, trust company or trust department as its agent for the performance of any or all acts, obligations and responsibilities of the bank with respect to any fiduciary account. In such an event, the appointing bank shall remain fully responsible and liable with respect to all actions of the related bank, trust company or trust department as if performed by the appointing bank itself. No such agency relationship shall:

(1) Be deemed an impermissible delegation of responsibility or duty by the appointing bank;

(2) Constitute a resignation or disqualification of the appointing bank as fiduciary or relinquishment of trust powers by the appointing bank; or

(3) Require the consent of any person, entity, court or other governmental authority.

SECTION 23. Tennessee Code Annotated, Section 45-2-1104, is amended by deleting the section in its entirety and substituting instead the following:

(a) A state bank may make a loan secured by not more than fifty percent (50%) of the book value of its own stock upon the approval of a majority of the

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bank's board of directors. Provided however, this subsection shall not permit a purchase money loan for the initial acquisition of the bank's own stock. Loans secured by the banks own stock shall be limited to and shall not exceed: 1) in the aggregate, twenty percent (20%) of the bank's capital, surplus, and undivided profits; nor 2) to any one borrower, ten percent (10%) of the bank's capital, surplus and undivided profits. A loan which is otherwise adequately secured to the extent required of loans of the type provided and in which the bank's stock is taken as additional or secondary collateral shall not be included in the limits provided in this subsection.

(b) Except as expressly limited or restricted in this Title, a state bank may engage in such transactions involving its own stock, including but not limited to the transfer, repurchase, holding, sale, or division, to the same extent permitted to corporations under the Tennessee Business Corporation Act.

The bank shall give the commissioner thirty (30) days advanced notice of any proposed transaction and may consummate such transaction at the end of the thirty (30) day period unless the commissioner advises the bank in writing of his objection to the proposed transaction.

SECTION 24. Tennessee Code Annotated, Section 45-2-1403 (b), is amended by adding as a new item (6) the following:

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(6) The acquisition of shares of a bank holding company by another bank holding company where more than fifty percent (50%) of the total consolidated assets of the holding company being acquired are held by banks in operation for more than five (5) years.

SECTION 25. Tennessee Code Annotated, Section 45-2-1602(i), is amended by deleting the words "not more than three (3) business days".

SECTION 26. Tennessee Code Annotated, Section 45-2-1604, is amended by deleting the section in its entirety and by substituting instead the following:

(a) All banks shall make to the commissioner of Financial Institutions on the call of the commissioner for such report, at least two (2) reports during each year according to the form, including electronic transmission, which may be prescribed by the commissioner. Such report must be verified by the oath or affirmation of the executive officers or agents thereof, and in the case of a corporation, by the President or cashier or secretary, and must be attested by the signature of at least three (3) directors of the corporation. The commissioner shall make one (1) of such calls in the first half (1/2) of the year and another in the latter one-half (1/2) of the year.

(b) Each such report shall exhibit in detail and under appropriate heads the resources and liabilities of each bank at the close of business on any past

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day specified by the commissioner, which day for reports shall be uniform throughout the state, and shall be transmitted by the bank to the commissioner within such period as the commissioner prescribes, but in no instance less than five (5) days after receipt of a request or requisition thereof from the commissioner. Instead of the report required under this subsection, the commissioner may accept a copy of a call report submitted to the Federal Deposit Insurance Corporation.

(c) The commissioner may call for a special report from any particular bank whenever, in the commissioner's judgement, the same is necessary or deemed necessary for the protection of the public or for a full and complete knowledge of the condition of the bank by the commissioner. Special reports called for shall be made in all particulars as required in subsections (a) and (b).

(d) If the commissioner determines that to promote public confidence in a bank or to protect the safety and soundness of a bank, the commissioner may require a bank to publish the call report submittal to the commissioner. The commissioner may establish a date for such publication; otherwise, such publication shall occur within ten (10) business days of the date of notice to the bank directing that the call report be published. Publication shall occur once in

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any newspaper distributed in the city or county in which the main office of the bank is located at the expense of the bank.

SECTION 27. Tennessee Code Annotated, Section 45-3-801, is amended by adding as a new sentence the following:

However, any regulation promulgated by the commissioner which has not been revised or amended in more than five (5) years may be waived by the commissioner, in his discretion, as he deems necessary or appropriate to maintain a competitive balance among state chartered savings and loan associations, state chartered savings banks, federally chartered savings and loan associations and federally chartered savings banks.

SECTION 28. Tennessee Code Annotated, Section 45-14-102, is amended by deleting the words "issued hereunder" and by substituting instead the words "issued hereunder, if any".

SECTION 29. Tennessee Code Annotated, Section 45-14-103, is amended by deleting subsections (a) and (b) and by substituting instead the following:

(a) The commissioner of financial institutions, hereinafter referred to as the "commissioner," is authorized, to provide for the organization, chartering, incorporation, examination, operation, regulation and safety and soundness of savings banks.

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(b) A savings bank may organize, convert, and engage in acquisitions, mergers, consolidations, share exchanges and purchase of assets and assumption of liabilities, in the same manner as is provided for associations in chapter 3 of this title.

SECTION 30. Tennessee Code Annotated, Section 45-14-104, subsections (a), (b), and (c), is amended by deleting the words "Subject to the regulations of the commissioner, a" and by substituting instead the word "A".

SECTION 31. Tennessee Code Annotated, Section 45-14-104(d), is amended by deleting the words "Subject to the regulations of the commissioner, savings banks" and by substituting instead the words "A savings bank".

SECTION 32. Tennessee Code Annotated, Section 45-14-105(a), is amended by deleting the words "may issue regulations authorizing" and by substituting instead the words "may authorize".

SECTION 33. Tennessee Code Annotated, Section 45-14-105(b), is amended by deleting the words "may by regulation authorize" and by substituting instead the words "may authorize".

SECTION 34. Tennessee Code Annotated, Section 45-14-110, is amended by deleting the words "subject to the regulations of the commissioner, a" and by substituting instead the word "A".

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SECTION 35. Tennessee Code Annotated, Section 48-2-103 is amended: 1) by inserting in subsection (a)(3) immediately after the words "of any state" the words "or any bank holding company registered as such under applicable federal law"; and, 2) by inserting in subsection (a)(4) immediately after the words "business in this state" the words "or any savings and loan holding company registered as such under applicable federal law".

SECTION 36. For purposes of promulgating rules or regulations, this act shall take effect upon becoming a law, the public welfare requiring it; for all other purposes, this act shall take effect on July 1, 1996, the public welfare requiring it.